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TWO DOLLARS

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RV BUSINESS

JUL/24

1987

RVIA Seeks Extended 'Supplier Mart' at Dodger

RVIA has announced that it will implement several changes at its annual Dodger Show, to be held Nov. 3-11 in Los Angeles, as the result of a recent survey of dealers.

The survey showed that dealers believe the show, which currently attracts only about 40% of the dealer body available in the 11 Western states (not including Canada), would be improved by expansion of both supplier participation and educational-seminar offerings, said RVIA Dodger Show Director Cheryl Von.

In addressing the issue of supplier involvement, Von said that RVIA is "encouraging participation in our Suppliers Mart '87, which we hope to see continue. We'd like suppliers to consider maintaining their booths through public days. We'd like to see suppliers get together with dealers and warehouse distributors and keep their booths through the entire session. We have more than 50,000 people pass through the gate, and several rally groups are represented. Where else can you see that many people in less than a two-week period?"

"I'm anxious to see it happen," said Bob Lee, owner of Country Coach, Junction City,

continued on page 8

NHTSA Studies Requiring Seat Belts in Vans, RVs

In response to increasing demands from congressional and consumer group, the National Highway Traffic Safety Administration (NHTSA) is considering mandatory lap-shoulder seat belts in the rear seats of all motor vehicles, including RVs.

NHTSA is now soliciting comments from the industry on the

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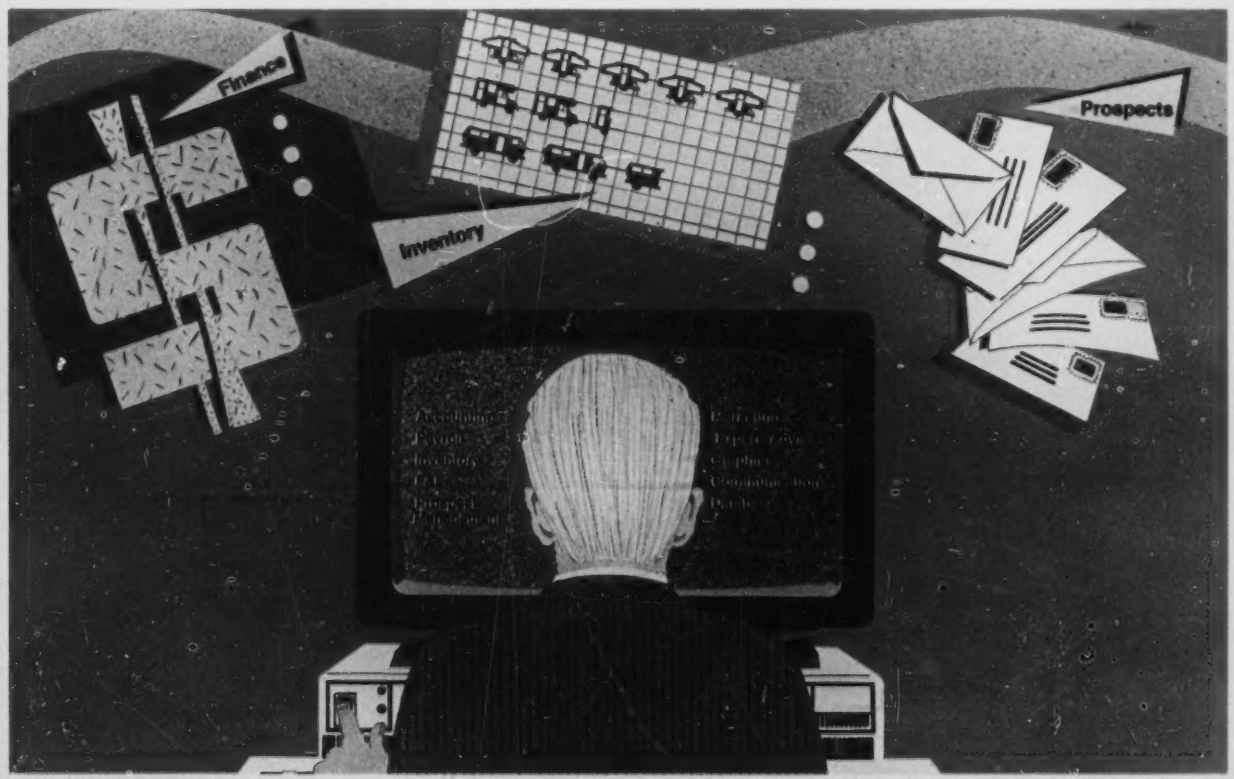

THE COMPUTERIZED DEALER: The pioneering era of computerization is past, and now RV dealers are using computers in every aspect of their operations. A three-part article explores current computer software, computerization costs and future trends. See page 16.

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RV BAROMETER

VOLUME 38, NUMBER 8

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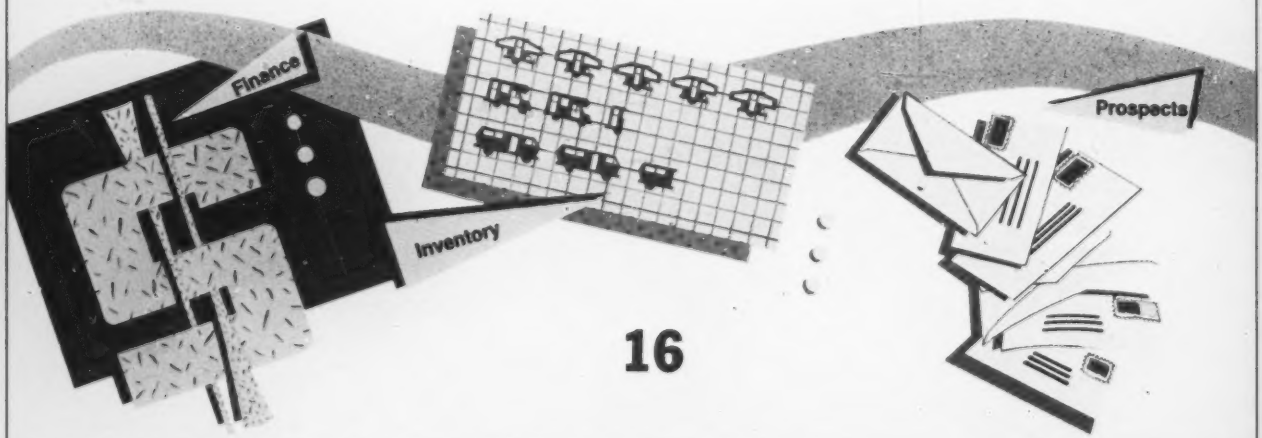

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COVER ILLUSTRATION: ANDREA BELL

APRIL PROVIDES THE INDUSTRY'S EARLY BOX SCORE

MORTON J. MARCUS

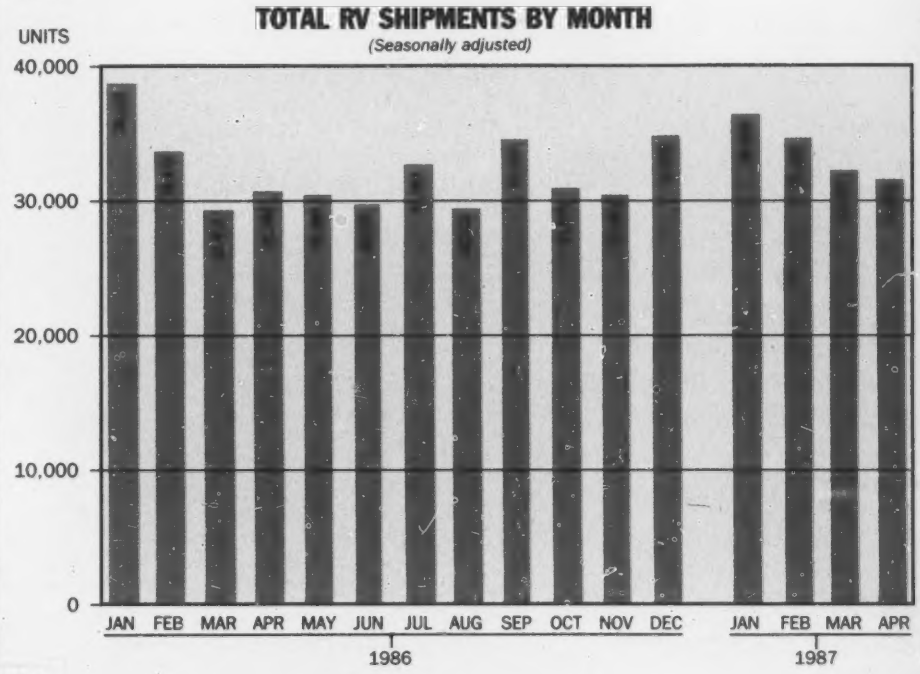
April is a special month.

The professional baseball season has begun, and the end of the basketball and hockey seasons is in sight.

April is also the month when we begin to see whether the great hopes of spring training become big-league realities. Some teams get off to great starts, while others seem to fall from grace at the first pitch.

Well, this April, the RV industry did not live up to its spring-training promise. Not that the month was particularly bad; it just wasn't the big gainer promised by the performance of the two preceding months.

Figure 1



For the year-to-date, total shipments were *up* 2,880 units or 2.2%.

Total Shipments

RVIA data for April indicated a total of 40,400 units shipped, which sounds good—except that April is normally one of the strongest months of the year. Thus, when the data is adjusted for normal seasonal patterns, total shipments were equal to only 31,560 units, the lowest monthly total level so far this year. *(See Figure 1.)*

April 1987 was a meager 200 units (0.6%) better than April last year. This was especially disappointing when we remember that February was 2.7% above the totals for the same month a year earlier and that March was a strong 10.4% ahead of March 1986.

For the year-to-date, 1987 was running 2,900 (2.2%) units ahead of last year. But the April shipment numbers this year did not show the positive trend of a year ago. This year and last both started with strong January returns, followed by declines in February and March. But April 1986 provided a welcome improvement of nearly 2,000 units, or a 6.5% increase, above the March 1986 level. By contrast, this year's April shipments were down by more than 900 units, or almost 3%, from March.

The Detailed View

As is often the case, the more detailed view is less clear, but it is also somewhat more positive than the preceding analysis might lead us to expect. Remember that the March data showed a decline of 5.5% from February in total shipments. Hence, the 2.9% decline of April was a slowdown of the month-to-month decline so far this year. Second, in March, eight of the 11 types of RVs shown in Figure 2 registered declines; in April it was only seven of 11 RV types.

For example, in March, travel trailers dropped by 15.4% from the preceding month; in April, the decline was limited to just 2.3%. Park models turned around: After falling by nearly 26% in March, the April numbers came in 31% higher. Fifth-wheels also cut their losses, as the month-to-month decline fell from 4.1% in March to 1.6% in April. Thus, as a group, these three types of trailers were off for April by less than 1% compared to March shipments, and this after a 13.3% decline the preceding month.

Folding camping trailers seemed to be going nowhere. The level of shipments in February, March and April was virtually unchanged. Truck campers also have shown little change in the past few months, after a spectacular start to the year.

Class A motorhomes cut their decline slightly. Class B shipments, by contrast, soared by 38% (on small volume) after a decline in March of nearly 4%.

Class C units continued to grow as a group. After being up 8% in March, they followed through with a 6% gain in April. Class C minimotorhomes continued to advance, with a 14% gain on the heels of the 19% gain of March. Class C micro-minis turned a 27% decline into a 22% gain. However, low-profile units failed to stop the March slide and dropped another 25% in April, following the 10% fall of a month earlier.

Van conversions continued to be persistently weak perform-

RVIA SHIPMENTS

RV SHIPMENTS BY TYPE OF UNIT

(Seasonally adjusted data)

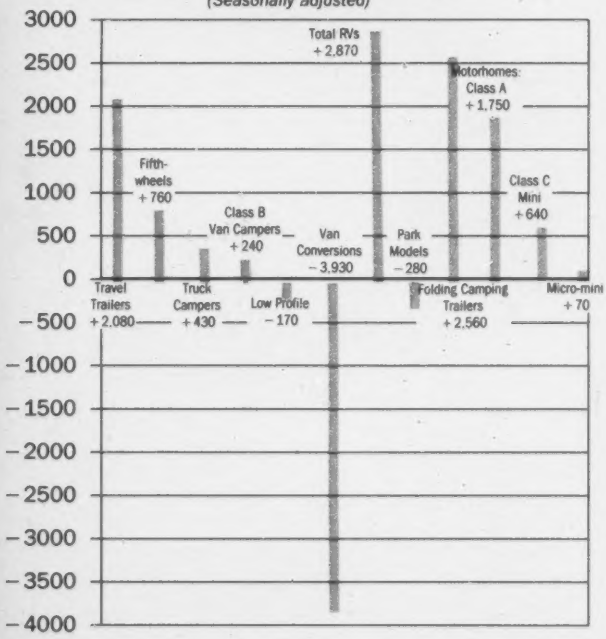
Type	Figure 2 March-April 1987	Figure 2 Percent Change From March	Figure 3 Year-to-Date 1987	Figure 3 Year-to-Date 1986	Figure 3 Percent Change
TOTAL RVs	31,560	– 2.9	135,380	132,500	2.2
Nonmotorized Units:					
Travel Trailers	4,560	– 2.3	20,920	18,840	11.1
Park Models	600	31.3	2,240	2,520	–11.1
Fifth-wheel	2,130	– 1.6	8,750	7,990	9.5
Folding Camping Trailers	3,080	– 0.7	12,900	12,470	3.4
Truck Campers	800	– 4.5	3,650	2,410	51.6
Motorhomes:					
Class A	3,010	– 1.0	12,030	10,280	17.0
Class B Van Campers	520	38.1	2,070	1,830	13.2
Class C					
Mini	1,800	14.0	6,400	5,770	11.1
Low Profile	160	–25.1	860	1,030	–16.7
Micro-mini	370	22.5	1,550	1,480	4.9
Van Conversions	14,590	– 7.1	64,030	67,960	5.8

NOTE: Detail may not add to total because of rounding.

Figure 4

WINNERS AND LOSERS

UNITS — January to April 1987 compared to 1986 *(Seasonally adjusted)*



NOTE: Detail may not add to total because of rounding and seasonal-adjustment procedures.

Figure 5

MARKET SHARE BY TYPE OF UNIT

January to April 1987 compared to 1986

TYPE	1987	1986
Total RVs	100.0%	100.0%
Nonmotorized Units:		
Travel Trailers	15.5	14.2
Park Models	1.7	1.9
Fifth-wheels	6.5	6.0
Folding Camping Trailers	9.5	9.4
Truck Campers	2.7	1.8
Motorhomes		
Class A	8.9	7.8
Class B Van Campers	1.5	1.4
Class C:		
Mini	4.7	4.4
Low Profile	.6	.8
Micro-mini	1.1	1.1
Van Conversions	47.3	51.3

Note: Detail may not add to total because of rounding.

ers. In February, shipments totaled more than 16,600 units; by April they had dropped 2,000 units below that level, to 14,600 units, for a decline of 12%.

The Positive Side

When the year-to-date numbers in Figure 3 are considered, an overall positive picture for 1987 is clear. Total units were *up* by nearly 2,900 units by the end of April, and the industry was heading for a 406,000-unit year. All segments looked good with only three exceptions: park models, low-profile Class C's and van conversions. Figure 4 makes that trend most clear.

Of the 11 RV types, eight were winners. Their volume was up by more than 7,200 units, of which travel trailers accounted for nearly 2,100 units (29%). The biggest winner through April of this year was the folding camping trailer, which was *up* by 2,560 units, or 36% of the total increase in volume.

The decline in volume of shipments through April was close to 4,400 units, with van conversions alone accounting for more than 3,900 units (90%) of that drop. If van conversions are left out of the picture for the industry, the view is very positive: RV shipments (less vans) were running 6,800 units ahead of last year for the same period, a most respectable gain of 10.5%.

The Big Question Mark

Baseball fans in San Francisco and Chicago always sit through June waiting for the big collapse. Their teams are noted for that. Similarly, the signs of April suggest that, even though the standings in the RV industry look good, there are areas of concern about a possible collapse.

The March and April numbers have many negative points. Even though April showed improvement, it will take a strong May report before we can dream the eternal dream of a truly strong year. The quarterly forecasts published earlier *(RV Business, July 10, 1987, p. 14)* indicated that such a year may lie ahead. The monthly data bolster such hopes, but the complete picture is, as yet, far from settled. Δ

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.